



THE NAVAJO NATION

OFFICE OF THE PRESIDENT & VICE PRESIDENT

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Navajo Nation President Joe Shirley, Jr., asks that Navajo Council refrain from carrying over funds to help prevent employee layoffs

WINDOW ROCK, Ariz. – Navajo Nation President Joe Shirley, Jr., told the Navajo Budget & Finance Committee today that an additional \$4 million would be needed to fund Executive Branch divisions and programs at the same level as this year, and to avoid layoffs of employees.

“If the Navajo Nation Council is unable to identify other funds to cover the \$4 million unmet need, 50 positions within the Executive Branch will be abolished, seven positions will face layoff, and some programs will be forced to reduce hours, ultimately impacting service delivery to the Navajo people,” he said in his annual budget message.

On June 10, the Budget & Finance Committee accepted the Navajo Nation Controller's Fiscal Year 2010 General Fund Revenue Projection of \$193.4 million, he said. After the mandatory set-asides, the committee established a budget ceiling of \$161.4 million.

The Executive Branch was allocated \$113,438,493, which is the same as was allocated the year before.

But because all Navajo Nation departments and programs had to absorb the cost of premiums for property, auto, physical and liability insurance, Workers Compensation, the general wage adjustments, and employee step increases, the Executive Branch still needs \$4 million to make it to an “as-is budget” for FY-2010 from FY-2009, and without any job layoffs.

President Shirley explained that the Council's recent veto override of a \$9.7 million appropriation contributed largely to the Nation's current budget shortfall and to the anticipated shortfall in Fiscal Year 2010.

“This budget shortfall could have been substantially offset if the personnel savings from vacant positions was

accrued, as required by law, at the end of the fiscal year,” he said. “As I indicated in my veto message, appropriating funds from *projected* savings creates budgetary uncertainty, and will inevitably impact governmental operations.”

“In our current situation, it's most unfortunate that those people who now have to pay the cost of this budgetary crisis are our own dedicated employees.”

– Navajo Nation President Joe Shirley, Jr.

He said the purpose of government is to provide services to the people, and that everyone in government sacrifices to meet the people's needs.

“The people's needs are greater than anyone else's,” he said. “However, in our current situation, it's most unfortunate that those people who now have to pay the cost of this budgetary crisis are our own dedicated employees.”

The President said that in order too prevent abolishing positions and laying off people from their jobs, that the Navajo Nation Council should not carry over budget savings this fiscal year.

“In light of the current budget crisis, any possible savings must be applied to the shortfall and to restore all positions,” he said. “Good governance requires that these measures be taken. Carryovers, or the lack thereof, always has serious negative impacts on the Executive and Judicial branches.”

The President said he has long been concerned about the Council's repeated depletion of the Undesignated, Unreserved Fund Balance.

"The UUFB exists for a reason, and that is to have a financial cushion for unforeseen costs," he said. "Every day throughout the summer, we receive updates from other government entities that fight human- and lightning-caused forest fires. Were we to have our own forest fire or another emergency on Navajoland, we currently do not have funding available in the UUFB we would need to use."

Similarly, he said, the Nation has been informed about the likelihood of a greater outbreak of the H1N1 virus this

fall. The Navajo Division of Health is now preparing as best it can to prepare for this impending health emergency, he said.

"We have an emergency fund established to deal with emergencies, and we must get back to using it as it was intended," he said.

"All around us, costs are rising and governments at every level are cutting back on services," he said. "But unlike them, the level of need among the Navajo people remains among the most severe in the United States."

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